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Briefly Speaking

B. Sp. No. 15 October 15, 1940

Agriculture Looks to Latin America

Latin America's Trade

More than half of Latin America's exports have gone to Europe during the last decade. In 1929 European countries took 52 percent of the 2,900 million dollars worth of goods exported from the Central and South American Republics and in 1938, 54 percent of shipments valued at 1,800 million dollars. The dependence of the individual Latin American countries upon European outlets varies sharply from country to country—in 1938, from a high of 90 percent for Bolivia to a low of 5 percent for Panama. In 1929, 35 percent of the shipments from Latin America went to North American countries; this area took 31 percent of the trade in 1938.

The dependents.—Argentina, Bolivia, Uruguay, and Venezuela are the countries most dependent upon Europe as a market for their goods. In 1938 more than 70 percent of the shipments from each of these countries was consigned to European countries. Europe was also the outlet for about 50 percent of the exports of Brazil, Chile, Costa Rica, Dominican Republic, and Haiti. Europe is much less important as a market for the remaining 11 Latin American Republics, having taken less than 20 percent of the shipments from Cuba, Guatemala, Honduras, and Panama; less than 30 percent of the exports of Colombia, El Salvador, Mexico, and Nicaragua; and about 40 percent of the goods sold abroad by Ecuador, Paraguay, and Peru. For most of these 11 countries the United States is the dominant foreign market.

The products.—Cereals, flaxseed, meats, coffee, hides and skins, tobacco, sugar, wool, petroleum, nitrates, bananas, cabinet woods, tin,

chicle, henequen (binder twine fibre), and cacao (cocoa) are among the most important products of Latin America which enter world trade. That region supplies all of the world's quebracho (leather tanning agent), henequen, and chicle, and it has accounted for about 85 percent of the world's exports of coffee, 70 percent of the exports of fresh, chilled, and frozen beef and veal, 65 percent of the exports of bananas, 50 percent of the exports of cattle hides, 40 percent of the exports of petroleum and petroleum products, and 30 percent of the exports of sugar. Several of these countries are also large producers and exporters of precious metals.—*Press Release, United States Tariff Commission, August 1, 1940.*

▶ The term "Latin America" as used here means the 20 independent nations of the Western Hemisphere lying south of the Rio Grande.

▶ The 20 Latin American countries have an average of 15 inhabitants to the square mile, compared to 41 for the United States.

For Committeemen

You and I have known for long that the welfare of American agriculture is rooted in other lands as well as our own.

This explains why Latin America is presently of particular interest to committeemen. War abroad has turned the Americas toward plans for inter-American unity and action, particularly in the solution of trade problems.

Many of your farmer neighbors will look to you for information about agriculture's stake in inter-American cooperation. The material presented in this issue is intended to help farmers in understanding and discussing agriculture's part in building security for this Hemisphere.

The problem of uniting the Americas for defense and economic solidarity can be solved. Some 190 years ago, the Thirteen Colonies which later formed the United States differed in their interests, loyalties, and economic make-up, perhaps even more than the 21 American Republics do today. Yet they cooperated in a fight to win and hold their liberties.

There is even more reason now for all-American unity. A twentieth-century dictatorship, more powerful and threatening to liberties than that of the eighteenth-century tyrant, threatens the independence of every Western Hemisphere nation.

The task will call for the determination and cooperation which went into the building of the national farm program. With such spirit the Americas can meet the needs of the times as successfully as the first American patriots and their farmer descendants.—*R. M. Evans, Administrator, AAA.*

Compiled by the Division of Information, Agricultural Adjustment Administration, United States Department of Agriculture, from official and unofficial sources for the information of committeemen and others cooperating in the administraton of the A. A. A. programs.

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A is for Argentina

Land and people.—The area of Argentina is 1,078,000 square miles, roughly equivalent to all the United States east of Mississippi plus Texas and Louisiana. Its 12,958,000 people (1939) are largely European by birth or extraction.

Resources and economy.—In spite of the rapid expansion of agriculture, only about 10 percent of the total area is now cultivated. Almost half the country is in pasture, the remainder forested or unproductive. Given irrigation, drainage, and transportation facilities, almost two-thirds of the whole country could be adapted to agriculture and grazing, and nearly one-fourth is especially suited to the growing of cereal crops. Except for petroleum, there is no mineral production of great importance.

Agriculture.—Of all the Latin American countries, Argentina has an agricultural economy most closely resembling that of the United States. Temperature and climate favor diversity.

Wheat is the leading crop. Argentina accounts for four-fifths of all Latin American wheat production and exports a major part of the crop.

Argentine flax seed makes up half the world total of this commodity and accounts for four-fifths of the world trade in flaxseed.

Argentina also leads Latin America in corn production with 200 to 400 million bushels annually. It is also the principal world exporter of corn. Other important Argentine crops are oats, barley, cotton, alfalfa, tobacco, sugar, wine grapes, and several fruits.

Animal industries.—Argentina is the primary source of Latin American exports of meats because of its advantages in climate and natural pasturage. Improved pastures, chiefly with alfalfa, brought an increase of cattle numbers from 13 million head in 1875 to more than 33 million in 1937. Argentina supplies about one-half of the world exports of beef, and more than one-half of the exports of canned beef.

As a sheep-grazing country, Argentina is exceeded only by Australia and the Soviet Union.

Manufacturing.—Argentina is also the leading manufacturing country of Latin America. Its factories produce a great variety of products, principally foodstuffs and essentials for living. Small establishments are the rule; in 1937 only 47 of 49,311 establishments in the country employed more than 1,000 workers, and 73 percent employed fewer than 6 men.—*Adapted from The Foreign Trade of Latin America, Section 1 of Part II, United States Tariff Commission.*

. . . and B for Brazil

Land and people.—Brazil occupies nearly half of the entire South American Continent; its area of 3,275,510 square miles exceeds that of the United States by as much as the area of Texas. Nearly three-fourths of its 43 million people live within 100 miles of the coast. The racial composition is mixed, about half the people being of European extraction.

Resources and economy.—The country is the richest in the world in its varied resources, most of which are relatively undeveloped. Agriculture is predominant, although only 4 percent of the area is actually cultivated.

Agriculture.—Coffee, cacao, tobacco, cotton, rice, sugar, fruits, grapes, wheat, corn, barley, rye, cassava (starchy root), potatoes, yams, beans are principal agricultural products. From its forests come Brazil nuts, carnauba wax, yerba maté (Brazilian tea), rubber, and timber. Castor beans, cottonseed, and babassu nuts are sources of vegetable oils.

Coffee accounted for 45 percent of Brazil's exports in 1938, despite the increasing importance of other commodities. Brazil leads the world in coffee production and exports.

In 1938–39 cotton production was about 1.9 million bales. From 1925 to 1929 the average annual production was about a half million bales.

Animal industries.—Only a small part of the facilities available for raising animals is used, and exports of animal products were only 9 percent of the total in 1938. The largest single item is hides and skins. There were 41 million cattle in Brazil in 1935. There were 33 million in Argentina in 1937. Sheep and goats also have a part in the industry.

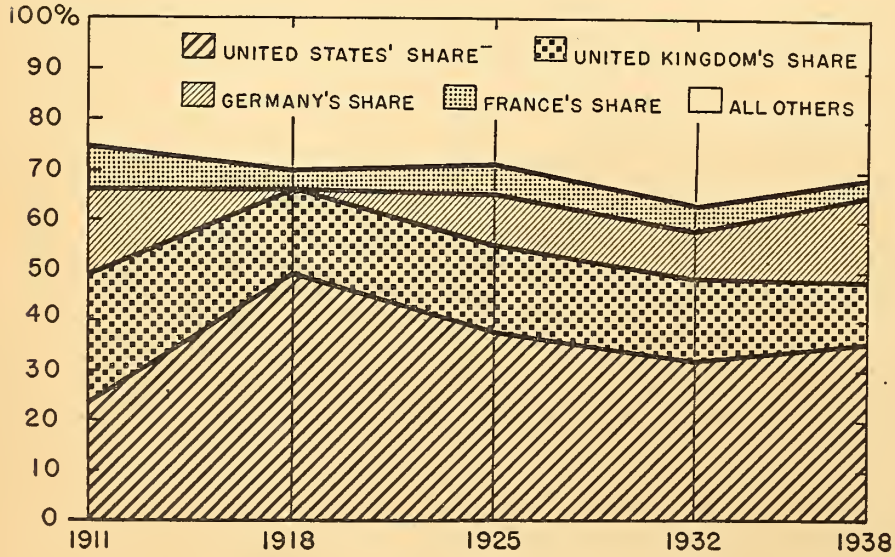
Minerals.—In mineral resources, Brazil is one of the richest countries in the world. It has deposits of coal, iron, copper, manganese (perhaps the world's largest), mica, lead, zinc, mercury, chromium, nickel, bauxite (aluminum ore), gold, platinum, diamonds and other precious stones, kaolin, marble, phosphate of lime, and rock salt. The iron deposits are extensive and high grade.

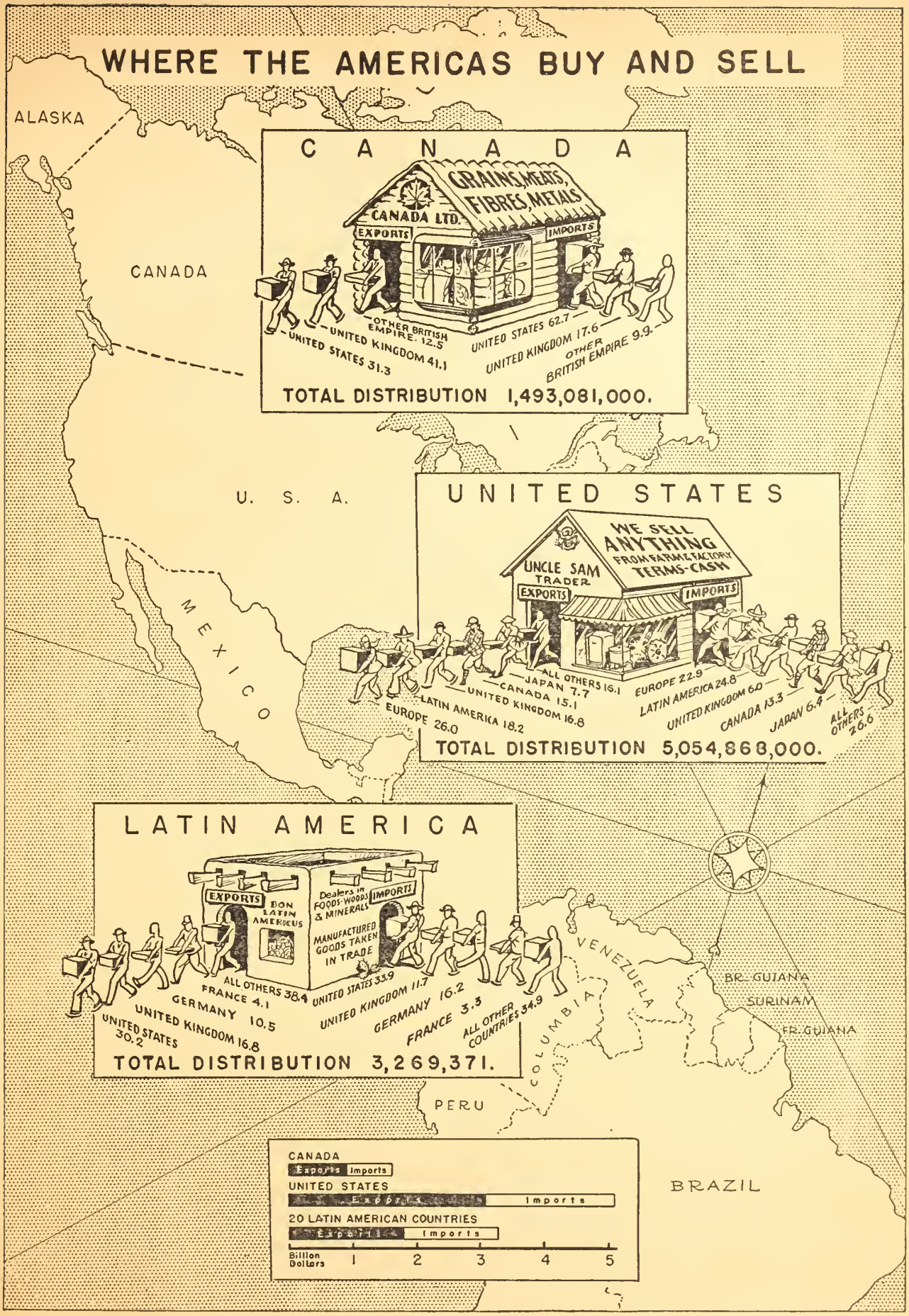
Manufacturing.—Expansion of industry, particularly in the last decade, has brought Brazil to self-sufficiency in the production of many consumers' goods. The Government has attempted to encourage diversification and to avoid overexpansion in any branch; cotton textiles is the most important industry.—*Adapted from The Foreign Trade of Latin America, Section 3 of Part II, United States Tariff Commission.*

▶ The large illustration at the right shows with whom and in what volume the Americas traded in 1938. The figures for each man entering or leaving the three trading posts represent the percentage of the total imports or exports that country accounted for in 1938. "Total distribution" means the sum in terms of dollars of 1938 imports and 1938 exports for the nation or area for which given. These totals are compared at the bottom.

Latin America's Imports, 1911–1938

Since World War I more than a third of Latin America's imports have come from the United States.




WHERE THE AMERICAS BUY AND SELL
ALASKA
CANADA
C A N A D A
GRAINS, MEATS, FIBRES, METALS
CANADA LTD.
EXPORTS
IMPORTS
UNITED STATES 31.3
UNITED KINGDOM 41.1
OTHER BRITISH EMPIRE 12.5
UNITED STATES 62.7
UNITED KINGDOM 17.6
OTHER BRITISH EMPIRE 9.9
TOTAL DISTRIBUTION 1,493,081,000.
U. S. A.
MEXICO
UNITED STATES
WE SELL ANYTHING FROM FARM & FACTORY TERMS-CASH
UNCLE SAM TRADER
EXPORTS
IMPORTS
EUROPE 26.0
LATIN AMERICA 18.2
UNITED KINGDOM 16.8
CANADA 15.1
JAPAN 7.7
ALL OTHERS 16.1
EUROPE 22.9
LATIN AMERICA 24.8
UNITED KINGDOM 6.0
CANADA 13.3
JAPAN 6.4
ALL OTHERS 26.6
TOTAL DISTRIBUTION 5,054,868,000.
LATIN AMERICA
EXPORTS
DON LATIN AMERICUS
Dealers in FOODS-WOODS & MINERALS
IMPORTS
MANUFACTURED GOODS TAKEN IN TRADE
UNITED STATES 30.2
UNITED KINGDOM 16.8
GERMANY 10.5
FRANCE 4.1
ALL OTHERS 38.4
UNITED STATES 33.9
UNITED KINGDOM 11.7
GERMANY 16.2
FRANCE 3.3
ALL OTHER COUNTRIES 34.9
TOTAL DISTRIBUTION 3,269,371.
VENEZUELA
COLUMBIA
BR. GUIANA
SURINAM
FR. GUIANA
PERU
BRAZIL
CANADA
Exports Imports
UNITED STATES
Exports Imports
20 LATIN AMERICAN COUNTRIES
Exports Imports
Billion Dollars 1 2 3 4 5

Latin American Briefs

All of South America lies east of Detroit, Michigan * * * Two-thirds of the continent lies in the tropic zone, but the altitude of much of the area in the Tropics makes the climate much like that of the temperate zone * * * Opportunity for expansion of agricultural production is greatest in the tropical lowlands * * * South America, with 13 percent of the world's land surface, has but 4 percent of the world's population * * * Four cities, Buenos Aires, Rio de Janeiro, Mexico City, and Sao Paulo, have more than a million population each.

The total of all corn produced in Argentina during the 5 years 1935–39 is less than two-thirds of Iowa's production for the same period * * * In 1937–38 United States corn production was 5 times that of all Latin America * * * Argentine wheat production varies from year to year, but over a period of years hardly equals that of farms in Kansas and North Dakota * * * United States farms and ranches produce annually 10 times the amount of beef Argentina exports in an entire year * * * Brazil's largest cotton crop, in 1937, was only two-fifths as large as that of Texas for the same year * * * Brazil is turning from its 1-crop dependence on coffee to production of other commodities * * * Argentina granted loans on cotton and corn recently, and banned further exports of wheat * * * Two-thirds of the South American people engage in agricultural pursuits.

The cacao bean originated in South America, but now Africa accounts for two-thirds of world production * * * South America first produced rubber commercially, and until 30 years ago the Amazon valley was the source of 90 percent of world production * * * It now accounts for only 2 percent of world production * * * Coffee trees require 5 to 7 years before they produce a satisfactory crop * * * Argentina, Brazil, and Uruguay together customarily account for about one-fourth of total world production of beef and veal compared to United States production of about 30 percent * * * The Chilean nitrate industry is a State monopoly * * * Latin American countries produce only about 1.5 percent of the world's crop of oats, but export from 30 to 60 percent of the total quantity entering international trade * * * Argentina and Chile are principal oat-producing countries * * * Transportation and gathering difficulties prevent the harvesting of most of Brazil's babassu nut production * * * Tobacco is grown and manufactured in virtually all of the Latin American countries: Brazil, Cuba, Mexico, and Argentina lead in production * * * Approximately 40 percent of the land area of Latin America is forest land which represents about 30 percent of the world total.—*Compiled from official sources.*

How Cooperate?

What are the common fields in which the Americas may try to cooperate?

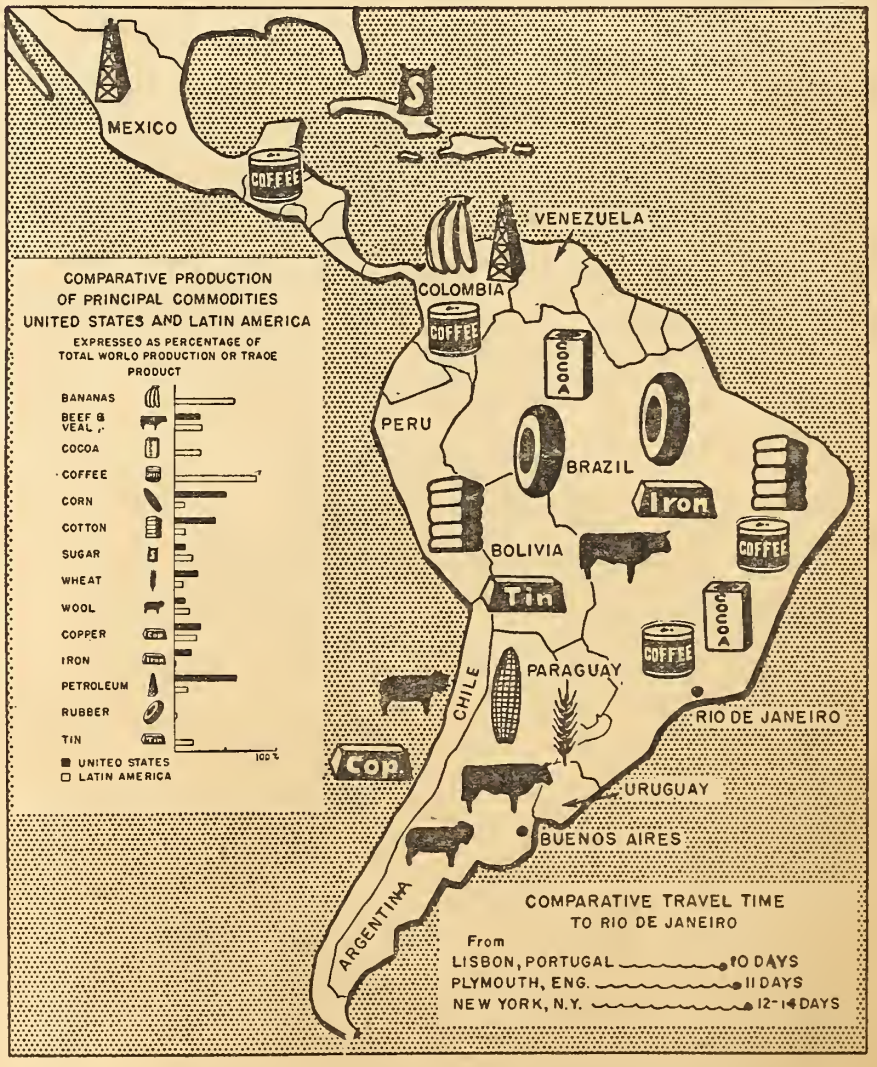
Agriculture heads the list of those in which there is need of inter-American cooperation. Even now experts of the United States Department of Agriculture are working with Latin American nations for the solution of these major problems:

1. The disposal of the huge and growing surpluses of Latin American products resulting from the loss of European markets. Two means are being studied; the reduction of production or market supply to existing demand through international commodity agreements, and the possibilities of diverting some part of the surpluses to underprivileged Latin Americans.

2. The production in Latin America of commodities which the United States now obtains in substantial quantities from distant portions of the world. Success in this effort might provide Latin American purchasing power for our industrial products and finished food products as high as $250,000,000 annually.

Social welfare is another field in which the Americas may cooperate more closely. This country may make available to Latin American governments, communities, and individuals the methods which have made the American standard of living the highest in the world. As the standards of living in Central and South America improve there will be an increasing flow of goods and culture within the hemisphere to the benefit of all Americans.—*Office of Foreign Agricultural Relations.*

Principal Resources of Latin America



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